



General Assembly

February Session, 2016

**Substitute Bill No. 368**

\* SB00368PH 042116 \*

**AN ACT CONCERNING LICENSURE OF SINGLE PURPOSE DENTAL HEALTH CARE CENTERS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-175 of the 2016 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective October 1, 2016*):

4 As used in this section and sections [38a-175] 38a-176 to 38a-194,  
5 inclusive, as amended by this act:

6 (1) "Healing arts" means the professions and occupations licensed  
7 under the provisions of chapters 370, 372, 373, 375, 378, 379, 379a, 380,  
8 381, 383 and 400j.

9 (2) "Carrier" means a health care center, insurer, hospital service  
10 corporation, medical service corporation or other entity responsible for  
11 the payment of benefits or provision of services under a group  
12 contract.

13 (3) "Commissioner" means the Insurance Commissioner, except  
14 when explicitly stated otherwise.

15 (4) "Evidence of coverage" means a statement of essential features  
16 and services of the health care center coverage [which] that is given to  
17 the subscriber by the health care center or by the group contract  
18 holder.

19 (5) "Federal Health Maintenance Organization Act" means Title XIII  
20 of the Public Health Service Act, 42 USC Subchapter XI, as [from time  
21 to time] amended from time to time, or any successor thereto relating  
22 to qualified health maintenance organizations.

23 (6) "Group contract" means a contract for health care services  
24 [which] that by its terms limits eligibility to members of a specified  
25 group. The group contract may include coverage for dependents.

26 (7) "Group contract holder" means the person to which a group  
27 contract has been issued.

28 (8) "Health care" includes, but shall not be limited to, the following:  
29 [Medical] (A) For a health care center that provides medical and  
30 surgical services other than or in addition to dental services, (i)  
31 medical, surgical and dental care provided through licensed  
32 practitioners, including any supporting and ancillary personnel,  
33 services and supplies; (ii) physical therapy service provided through  
34 licensed physical therapists upon the prescription of a physician; (iii)  
35 psychological examinations provided by registered psychologists; (iv)  
36 optometric service provided by licensed optometrists; (v) hospital  
37 service, both inpatient and outpatient; (vi) convalescent institution care  
38 and nursing home care; (vii) nursing service provided by a registered  
39 nurse or by a licensed practical nurse; (viii) home care service of all  
40 types required for the health of a person; (ix) rehabilitation service  
41 required or desirable for the health of a person; (x) preventive medical  
42 services of all and any types; (xi) furnishing necessary appliances,  
43 drugs, medicines and supplies; (xii) educational services for the health  
44 and well-being of a person; (xiii) ambulance service; and (xiv) any  
45 other care, service or treatment related to the prevention or treatment  
46 of disease, the correction of defects and the maintenance of the  
47 physical and mental well-being of human beings. Any diagnosis and  
48 treatment of diseases of human beings required for health care as  
49 defined in this section, if rendered, shall be under the supervision and  
50 control of the providers; and (B) for a health care center that provides  
51 only dental services, dental care provided through licensed

52 practitioners, including any supporting and ancillary personnel,  
53 services and supplies.

54 (9) "Health care center" means: [either:] (A) A person, including a  
55 [profit] for-profit or a nonprofit corporation organized under the laws  
56 of this state for the purpose of carrying out the activities and purposes  
57 set forth in subsection (b) of section 38a-176, as amended by this act, at  
58 the expense of the health care center, including the providing of health  
59 care [, as herein defined,] to members of the community, including  
60 subscribers to one or more plans under an agreement entitling such  
61 subscribers to health care in consideration of a basic advance or  
62 periodic charge and shall include a health maintenance organization,  
63 or (B) a line of business conducted by an organization that is formed [,]  
64 pursuant to the laws of this state for the purposes of, but not limited to,  
65 carrying out the activities and purposes set forth in subsection (b) of  
66 section 38a-176, as amended by this act.

67 (10) "Individual contract" means a contract for health care services  
68 issued to and covering an individual. The individual contract may  
69 include dependents of the subscriber.

70 (11) "Individual practice association" means a partnership,  
71 corporation, association [,] or other legal entity [which] that has  
72 entered into a services arrangement with health care professionals  
73 licensed in this state to provide services to enrollees of a health care  
74 center.

75 (12) "Insolvent" or "insolvency" means, with respect to an  
76 organization, that the organization has been declared insolvent and  
77 placed under an order of liquidation by a court of competent  
78 jurisdiction.

79 (13) "Net worth" means the excess of total admitted assets over total  
80 liabilities, but the liabilities shall not include fully subordinated debt,  
81 as [defined] that term is used in section 38a-193.

82 (14) "Member" or "enrollee" means an individual who is enrolled in

83 a health care center.

84 (15) "Person" means an individual, corporation, limited liability  
85 company, partnership, association, trust or any other legal entity.

86 (16) "Uncovered expenditures" means the cost of health care services  
87 that are covered by a health care center, for which an enrollee would  
88 also be liable in the event of the health care center's insolvency, and for  
89 which no alternative arrangements have been made that are acceptable  
90 to the commissioner. [Uncovered expenditures shall] "Uncovered  
91 expenditures" does not include expenditures for services when a  
92 provider has agreed not to bill the enrollee even though the provider is  
93 not paid by the health care center or for services that are guaranteed,  
94 insured or assumed by a person other than the health care center.

95 (17) "Enrolled population" means a group of persons, defined as to  
96 probable age, sex and family composition, [which] that receives health  
97 care from a health care center in consideration of a basic advance or  
98 periodic charge.

99 (18) "Participating provider" means a provider who, under an  
100 express or implied contract with the health care center or with its  
101 contractor or subcontractor, has agreed to provide health care services  
102 to enrollees with an expectation of receiving payment, other than  
103 copayment or deductible, directly or indirectly from the health care  
104 center.

105 (19) "Provider" means any licensed health care professional or  
106 facility, including individual practice associations.

107 (20) "Subscriber" means an individual whose employment or other  
108 status, except family dependency, is the basis for eligibility for  
109 enrollment in the health care center, or in the case of an individual  
110 contract, the person in whose name the contract is issued.

111 Sec. 2. Section 38a-176 of the general statutes is repealed and the  
112 following is substituted in lieu thereof (*Effective October 1, 2016*):

113 (a) Each [such] health care center shall be governed by sections 38a-  
114 175 to [38a-192] 38a-194, inclusive, as amended by this act, and by the  
115 other applicable laws of the state to the extent not inconsistent with the  
116 provisions of said sections.

117 (b) (1) The nature of the activities to be conducted and the purposes  
118 to be carried out by a health care center include, but are not limited to:  
119 [(1)] (A) Establishing, maintaining and operating facilities whereby  
120 health care [, as hereinbefore defined,] may be provided at the expense  
121 of the health care center; [(2)] and (B) providing health care (i) directly  
122 by its health care center employees who, when required by law, shall  
123 be duly licensed to render such service, or (ii) by agreement or by  
124 indemnity arrangement with any hospital, hospital service  
125 corporation, medical service corporation, medical group clinic or  
126 person qualified and licensed to render any health care service, or (iii)  
127 by both methods [; (3) entering] set forth in subparagraphs (B)(i) and  
128 (B)(ii) of this subdivision.

129 (2) For a health care center that provides medical and surgical  
130 services other than or in addition to dental services, the nature of the  
131 activities to be conducted and the purposes to be carried out by such  
132 health care center, in addition to those set forth in subdivision (1) of  
133 this subsection, include, but are not limited to: (A) Entering into  
134 agreements with any governmental agency, or any provider for the  
135 training of personnel under the direction of persons licensed to  
136 practice any healing art; [(4)] (B) establishing, operating and  
137 maintaining a medical service center, clinic or any such other facility as  
138 shall be necessary for the prevention, study, diagnosis and treatment  
139 of human ailments and injuries and to promote medical, surgical,  
140 dental and general health education, scientific education, research and  
141 learning; [(5)] (C) marketing, enrolling and administering a health care  
142 plan; [(6)] (D) contracting with insurers licensed in this state, including  
143 hospital service corporations and medical service corporations; [(7)] (E)  
144 offering, in addition to health services, benefits covering out-of-area or  
145 emergency services; [(8)] (F) providing health services not included in

146 the health care plan on a fee-for-service basis; and [(9)] (G) entering  
147 into contracts in furtherance of the purposes of sections 38a-175 to 38a-  
148 192, inclusive, as amended by this act.

149 (3) A health care center that provides only dental services shall not  
150 be required to conduct activities set forth in subdivision (2) of this  
151 subsection.

152 Sec. 3. Section 38a-177 of the general statutes is repealed and the  
153 following is substituted in lieu thereof (*Effective October 1, 2016*):

154 [Health care may be provided (a)] A health care center may provide  
155 health care (1) directly [by a health care center] or by its employees or  
156 contractors licensed by this state to render such services, or by contract  
157 or by indemnity arrangement with any hospital, hospital service  
158 corporation, medical service corporation or person qualified and  
159 licensed to render any health care service or by both methods; and [(b)]  
160 (2) by other methods to the extent permitted under the Federal Health  
161 Maintenance Organization Act and the regulations adopted  
162 thereunder from time to time unless otherwise determined by the  
163 commissioner by regulation. A health care center may also enter into  
164 agreements with hospitals or individuals approved by their respective  
165 state regulating board, licensed to practice any of the healing arts, for  
166 the training of personnel under the direction of persons licensed to  
167 practice the profession or healing art. A health care center may also  
168 maintain a clinic or clinics for the prevention, study, diagnosis and  
169 treatment of human ailments and injuries by licensed persons and to  
170 promote medical, surgical, dental [and] or scientific research and  
171 learning.

172 Sec. 4. Section 38a-179 of the general statutes is repealed and the  
173 following is substituted in lieu thereof (*Effective October 1, 2016*):

174 (a) If the health care center is organized as a nonprofit, nonstock  
175 corporation, the care, control and disposition of the property and  
176 funds of each such corporation and the general management of its

177 affairs shall be vested in a board of directors. Each such corporation  
178 shall have the power to adopt bylaws for the governing of its affairs,  
179 which bylaws shall prescribe the number of directors, their term of  
180 office and the manner of their election, subject to the provisions of  
181 sections 38a-175 to 38a-192, inclusive, as amended by this act. The  
182 bylaws may be adopted and repealed or amended by the affirmative  
183 vote of two-thirds of all the directors at any meeting of the board of  
184 directors duly held upon at least ten days' notice, provided notice of  
185 such meeting shall specify the proposed action concerning the bylaws  
186 to be taken at such meeting. The bylaws of the corporation shall  
187 provide that the board of directors shall include representation from  
188 persons engaged in the healing arts and from persons who are eligible  
189 to receive health care from the corporation, subject to the following  
190 provisions: (1) One-quarter of the board of directors shall be persons  
191 engaged in the different fields in the healing arts, at least two of whom  
192 shall be a physician and a dentist, [;] except for a health care center that  
193 provides only dental services, one-quarter of the board of directors  
194 shall be persons engaged in the dental or related fields; and (2) one-  
195 quarter of the board of directors shall be subscribers who are eligible to  
196 receive health care from the health care center, but no such  
197 representative need be seated until the first annual meeting following  
198 the approval by the commissioner of the initial agreement or  
199 agreements to be offered by the corporation, and there shall be only  
200 one representative from any group covered by a group service  
201 agreement.

202 (b) If the health care center is not organized as a nonprofit, nonstock  
203 corporation, management of its affairs shall be in accordance with  
204 other applicable laws of the state, provided [that] the health care center  
205 shall establish and maintain a mechanism to afford its members an  
206 opportunity to participate in matters of policy and operation, such as  
207 an advisory panel, advisory referenda on major policy decisions or  
208 other similar mechanisms.

209 Sec. 5. Section 38a-180 of the general statutes is repealed and the

210 following is substituted in lieu thereof (*Effective October 1, 2016*):

211 (a) Any clinic established [hereunder] under sections 38a-175 to 38a-  
212 192, inclusive, as amended by this act, including a clinic [which] that is  
213 a part of a medical service center or other facility, shall be subject to  
214 approval as a clinic by the Commissioner of Public Health pursuant to  
215 the standards established by [him] said commissioner for approved  
216 clinics.

217 (b) Any person licensed to practice any of the healing arts or  
218 occupations employed by a health care center governed by sections  
219 38a-175 to 38a-192, inclusive, as amended by this act, shall not be  
220 subject to reprimand or discipline because [he] such person is an  
221 employee of the health care center or because such health care center  
222 may be engaged in rendering health care or related care through its  
223 own employees, [provided] except such person shall otherwise remain  
224 subject to reprimand or discipline by the state regulating board  
225 governing such profession or occupation as provided by law for [his]  
226 such person's act or acts for unlawful, unprofessional or immoral  
227 conduct. [by the state regulating board governing such profession or  
228 occupation as provided by law.]

229 (c) (1) No health care center [which] that provides medical and  
230 surgical services other than or in addition to dental services that  
231 contracts with an individual practice association may prohibit any  
232 practitioner of the healing arts from participating in such health care  
233 center solely on the basis of [his] such practitioner's profession. No  
234 person may interfere with the exercise by any other person of his or  
235 her free choice in the selection of a practitioner [in] of the healing arts  
236 who is participating in the health care center.

237 (2) No health care center that provides only dental services that  
238 contracts with an individual practice association may prohibit any  
239 practitioner of the healing arts from participating in such health care  
240 center solely on the basis of such practitioner's profession if such  
241 practitioner is licensed to perform services offered by such health care



242 center. No person may interfere with the exercise by any other person  
243 of his or her free choice in the selection of a practitioner of the healing  
244 arts who is participating in the health care center.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2016</i>	38a-175
Sec. 2	<i>October 1, 2016</i>	38a-176
Sec. 3	<i>October 1, 2016</i>	38a-177
Sec. 4	<i>October 1, 2016</i>	38a-179
Sec. 5	<i>October 1, 2016</i>	38a-180

**INS**        *Joint Favorable Subst. -LCO*

**PH**        *Joint Favorable*